

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF PUERTO RICO**

**IN THE MATTER OF:**

**KARISOLET HEIFERS, INC.**

*Debtors*

CASE NUMBER 16-08404 MCF

CHAPTER 12

***DEBTOR'S FOURTH AMENDED CHAPTER 12 PLAN***

TO THE HONORABLE COURT:

**NOW COME** Debtors herein, KARISOLET HEIFERS, INC. by its undersigned attorney, and very respectfully proposes the following Fourth amended CHAPTER 12 Plan to its creditors:

1. Debtor filed the instant petition on May 24, 2016.
2. The debtor filed an amended plan on December, 17, 2017. The Chapter 12 trustee filed his recommendation to the filed plan, which was unfavorable (Docket 140).
3. In order to address the trustees's objections, the debtor filed a Third amended consolidated chapter 12 plan.
4. **The debtor now files this fourth amended plan to eliminate from the previous plans the related entities Juan F. Barreto and his wife Mayrabel Ruiz (Case Number 16-04107), and Valle del Tanama Dairy, Inc. (Case number 16-08405) which were both dismissed.**
5. **The debtor now proposes the following Fourth Amended chapter 12 plan for consideration of its creditors and for the continuation of its farming**

KARISOLET HEIFERS, INC. 16-08404 MCF  
CHAPTER 12 CASE  
Fourth Amended Chapter 12 Plan  
Page No. 2

**operations under the provisions of Chapter 12 of the Bankruptcy Code:**

**ARTICLE I: CLASSIFICATION OF CLAIMS:**

**CLASS 1: Claims entitled to priority under 11 USC §507.**

**CLASS 2A: PR Recovery & Development JV, LLC filed a secured Claim (#3) which is secured by a duly registered security interest in personal property used by the debtor in its farming operations, to the extent and actual value of the collateral securing such security interest. Creditor Banco de Desarrollo Económico now PR Recovery & Development JV, LLC (hereinafter, PR Recovery) filed claim #3 in the total amount of \$1,138,349.65. This claim is secured by a part of the debtor's assets, as well as assets that belong to a related corporation of Karisolet Heifers, Inc. and Valle del Tanama Dairy, Inc. Karisolet Heifers, Inc., is the owner of a milk quota of 100,840 quarts per 14 day period. 75,000 quarts are encumbered to this creditor. (Exhibit #1).**

Karisolet operates the fresh milk production of the business under the administration of Mr. Juan Barreto and his wife Mrs. Marybell Ruiz. Valle del Tanama, Inc., is the owner of two farms located in Barrio Corcovado, (Southwest of Arecibo, Southeast of Hatillo, Puerto Rico adjoining State Road 492. The farm operations are conducted in the two farms that total 18.24 cuerdas. Juan Barreto and his wife own five different farms, one located in Cabo Rojo, PR, four in Barrio Corcovado. Milk producing stock (cattle) are estimated at \$250,000; farm equipment for the production of milk is estimated at \$111,741.00. Karisolet, Valle del Tanama, and Mr. Juan F Barreto and his wife are

KARISOLET HEIFERS, INC. 16-08404 MCF  
CHAPTER 12 CASE  
Fourth Amended Chapter 12 Plan  
Page No. 3

severally and jointly liable to PR RECOVERY. The value of the collateral held by PR RECOVERY is: \$142,500 in cattle, plus the lien on the quota which is estimated at \$900,000.00.

Of Karisolet's milk quota of 100,840 quarts, it has leased 35,000 quarts to seven farmers. The remainder of the milk quota (75,000 quarts) is encumbered in favor of PR RECOVERY. The total value of the milk quota is \$900,000.00. (A value of \$12.00 per quart is estimated).

For purposes of the plan proposals, the debtor is considering PR RECOVERY as fully secured on its claim.

**CLASS 2B:** The Internal Revenue Service filed secured claim number 1 in this for \$31,283.34. The lien on this claim is the debtor's farm equipment. This claim stands unopposed.

**CLASS 3:** All unsecured claims which have been scheduled, including any deficiency in any secured claim which exceeds the value of the collateral securing such security interest, the value of which is the excess of the claim which will be considered as an unsecured claim on the debtor's estate. Total claims filed as unsecured is \$3,896.03.

## **ARTICLE 2:**

### **A. Treatment of Priority/Administrative Claims:**

**From the payments made by the debtor to the trustee after the plan is approved, all PRIORITY and Administrative claims filed and allowed will be paid, and the debtor's attorney's fees and expenses. Claims filed as priority are:**

KARISOLET HEIFERS, INC. 16-08404 MCF  
CHAPTER 12 CASE  
Fourth Amended Chapter 12 Plan  
Page No. 4

(#1) IRS \$7,376.09

(#2) State Ins. Fund \$886.94

Total Priority creditors: \$8,263.03

Administrative claims:

- Attorney's fees approved: \$10,150.00

Total priority and administrative fees: \$18,413.03

The chapter 12 trustee will pay these claims at the rate of \$543.63 per month distributed pro-rata, commencing 30 days after the entry of an order approving this fourth amended plan for a period of 36 months. Payment includes 4% interest per annum.

**B. TREATMENT OF SECURED CLAIMS:**

TREATMENT OF CLAIM IN CLASS 2A: Secured Creditor PR RECOVERY is fully secured with assets of the estate as stated above.

Commencing 30 days after the plan is approved, the debtor will pay directly to the creditor \$12,500.00 monthly for 36 months which payment includes interest at the rate of 5% per annum. At the end of this period, the principal balance will have been reduced to \$841,235.43

Commencing on month 37, the debtor will pay PR RECOVERY \$14,500.00 for the next 36 month on the then balance of \$841,235.43 . At the end of the second 36 month period, the balance will have been reduced to \$416,878.01.

Commencing on month 73, the debtor will make \$15,000.00 monthly payments for the last 30 month period, reducing the principal balance to \$0.00 at which time the debtor will have fully liquidated the indebtedness to PR RECOVERY.

KARISOLET HEIFERS, INC. 16-08404 MCF  
CHAPTER 12 CASE  
Fourth Amended Chapter 12 Plan  
Page No. 5

**TREATMENT OF CLAIM 2B: Secured creditor IRS filed a secured claim for \$31,283.34. The trustee will pay this secured claim at the rate of \$937.59 per month for 36 months, which includes interest at the rate of 4% per annum.**

**C. TREATMENT OF CLAIMS IN CLASS 3: UNSECURED CREDITORS:**

**Only one creditor has filed an unsecured claim (state Insurance fund) for a total of \$3,896.03. The chapter 12 trustee will pay this unsecured claim at the rate of \$119.35 per month, which payment includes interest at the rate of 4% per annum. The debtor proposes a payment period of 36 months.**

**D. The trustee will make monthly payments as described above for a total of \$1,582.27. His fees for this monthly payment is \$158.23, and the debtor's monthly total payment to the chapter 12 trustee will be \$1,740.50.**

**ARTICLE III:**

**Manner in Which Payment of Claims Shall Be Made:**

**A. Debtor shall pay to the chapter 12 trustee on or before 15 days after the first of each successive month after the effective date, a TOTAL amount of \$1,740.50 per month from its farming operations for the duration of this plan, or 36 months commencing 30 days after the order approving the plan is final**

**B. From the payments received by the chapter 12 trustee, he will pay the secured claim of the IRS, the priority and administrative claims (debtor's attorney's fees, chapter 12 trustee fees) and the unsecured claims.**

**Included as Exhibit #2 is a summary of the debtor's projected post-confirmation operations for the years 2020 to 2023. Also included as Exhibit #3 is the debtor's post confirmation monthly operating budget.**

**ARTICLE IV:**

**VESTING OF TITLE TO ESTATE PROPERTY**

KARISOLET HEIFERS, INC. 16-08404 MCF  
CHAPTER 12 CASE  
Fourth Amended Chapter 12 Plan  
Page No. 6

Title to property of the estate subject to existing liens which are valid and enforceable in bankruptcy, shall vest in the debtor upon confirmation of this plan, except that secured creditor PR RECOVERY shall retain its liens over the debtor's personal assets.

**ARTICLE 1V:**

**EXECUTORY CONTRACTS**

The debtor has filed an application for authority to lease 35,000 quarts of the milk quota of Karisolet, which I pending approval by the court.

RESPECTFULLY SUBMITTED, In San Juan, Puerto Rico, this 27<sup>th</sup> day of November, 2019.

**KARISOLET HEIFERS, INC.**  
**/s/ Juan F. Barreto, President**

**MODESTO BIGAS LAW OFFICE**  
Attorney for Debtor(s)  
P. O. Box 7462  
Ponce, PR 00732-7462  
Tel. 787-844-1444; Fax 787-842-4090

By: /s/Modesto Bigas Mendez  
**MODESTO BIGAS MENDEZ**  
U. S. D. C.-P.R. No. 129507  
[modestobigas@yahoo.com](mailto:modestobigas@yahoo.com)

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF PUERTO RICO**

**IN THE MATTER OF:**

**KARISOLET HEIFERS, INC.**

**CASE NUMBER 16-08404 MCF**

*Debtors*

**CHAPTER 12**

**MONTHLY BUDGET FOR CONFIRMATION PURPOSES**

AVERAGE GROSS MONTHLY INCOME NOVEMBER 2019 - SEPTEMBER 2019	\$58,388.00
LESS: (All amounts in Dollars):	
WAGES	4,116.00
PAYROLL TAXES	75.00
PURCHASE OF CATTLE	12,000.00
CONCENTRATED FEED	15,500.00
MEDICINES	200.00
INSURANCE	717.00
MILKING EQUIPMENT MAINTENANCE	150.00
FARM MACHINERY MAINTENANCE/REPAIRS	525.00
GASOLINE/DIESEL FUEL	1,570.00
MATERIALS/SUPPLIES	245.00
PESTICIDES	15.00
RENT (AUTORIDAD DE TIERRAS)	1,802.00
UTILITIES	100.00
PROFESSIONAL SERVICES	500.00
DIP SALARY	3,500.00
BANK CHARGES	100.00

GABSO, INC.	1,035.00
AGH	650.00

<b>TOTAL EXPENSES</b>	<b>42,800.00</b>
-----------------------	------------------

PAYMENT TO CHAPTER 12 TRUSTEE FOR ADMINISTRATIVE EXPENSES, SECURED CREDITOR IRS, PRIORITY CREDITORS AND UNSECURED CREDITORS	(1,820.00)
--	------------

PAYMENT TO SECURED CREDITOR PR RECOVERY	(12,500.00)
---	-------------

TOTAL ALL PAYMENTS	<b>(14,320.00)</b>
--------------------	--------------------

SURPLUS:	<b>1,268.00</b>
----------	-----------------



**JUAN F. BARRETO GINORIO AND MAYRABELL RUIZ RUIZ**  
**SUMMARY OF INCOME AND EXPENSES**  
**From June 2016 to September 2019**

MONTH:	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17
GROSS INCOME:	\$ 28,081.45	\$ 55,672.18	\$ 113,363.30	\$ 43,677.23	\$ 69,496.29	\$ 39,211.62	\$ 46,262.46	\$ 40,125.28	\$ 43,150.90	\$ 46,808.04	\$ 36,411.83
DEDUCTIONS FROM CHECK											
NET INCOME:	\$ 28,081.45	\$ 55,672.18	\$ 113,363.30	\$ 43,677.23	\$ 69,496.29	\$ 39,211.62	\$ 46,262.46	\$ 40,125.28	\$ 43,150.90	\$ 46,808.04	\$ 36,411.83

WAGES	2,960.00	4,300.00	3,440.00	4,800.00	3,840.00	3,840.00	4,800.00	3,840.00	3,840.00	4,800.00	3,840.00
PAYROLL TAXES		111.39	52.00		699.66			673.91			140.40
PURCHASE OF CATTLE	8,100.00	39.31	85,724.60		34,150.00	15,850.00	10,900.00	9,600.00	15,255.00	15,050.00	15,900.00
CONCENTRATED FEED	11,250.00	16,450.00	15,400.00	19,600.00	13,000.00	12,900.00	16,127.60	12,800.00	13,400.00	16,000.00	12,300.00
SUPPLEMENTS, MINERALS		14,400.00		14,600.00							
FORAGE											
MEDICINE/VETERINARY	468.05	42.10	147.20	1,105.25	30.90	248.50	341.90	142.50	478.00	412.14	93.80
INSURANCE			3,254.58	882.41		882.41			926.53	924.19	
REPAIRS & MAINTENANCE	28.95	96.84	390.75	786.93	133.35	332.28	1,082.40	1,219.35	886.37	912.84	327.76
MILKING EQUIPMENT, REPAIRS & MAINT.		129.20	200.00	200.00	466.50	230.00	45.75	429.20	100.00	146.40	325.60
FARM MACHINERY	478.65	160.00	1,483.66			234.60	457.64	728.03	183.00	200.00	218.16
CAR & TRUCK			45.00	1,743.57	1,555.70	116.00	11.15	1,250.00	1,153.99		735.00
GASOLINE & DIESEL	245.71	1,199.00	637.05	547.81	585.54	726.69	757.36	717.02	503.34	397.95	718.50
MATERIALS AND SUPPLIES	230.08	67.58	437.22	353.53	403.11	591.54	424.48	405.13	376.43	275.86	379.82
TICK PLAGUICIDE			27.33	41.30			20.60	41.30			19.40
WEED KILLER											
MISCELLANEOUS	120.86	230.28	20.65	149.91	22.90	68.14	196.92	682.03	220.00		
RENT (AUTORIDAD DE TIERRAS)	1,760.00	1,760.00	1,760.00	1,771.00	1,766.00	1,766.00	1,766.00	1,766.00		2,000.00	
UTILITIES											
PROFESSIONAL SERVICES				7.70	1,500.00	7.00	53.25	34.75	20.85	20.20	1,903.00
PERSONAL SALARY	2,100.00	3,000.00	3,000.00	3,000.00	3,271.00	2,420.00	3,120.00	2,630.00	2,000.00	3,120.00	3,615.76
BANCO DESARROLLO ECONOMICO											
LICENSES AND PERMITS											
CLEANING PRODUCTS											
INSEMINATION											
CHEMICALS											
NAIL CORRECTION											
FREIGHT CATTLE											
IVU						125.00					300.00
Other						7.25					
OTHER EXPENSES:											
BANK CHARGES											
Gabso Inc		110.00	230.00	144.00	132.00	115.00	99.00	90.73	128.16	107.45	60.90
ADEA				2,850.00	2,600.00	1,300.00	2,250.00	1,500.00			
Solar Panels					2,406.67						
Other Supplements						500.00	200.00				
Purchase of Digger							157.95				
AGH								2,600.00		131.15	249.20
TOTAL EXPENSES:	27,742.30	42,095.70	116,250.04	52,583.41	66,563.33	42,266.41	42,812.00	41,149.95	39,471.67	44,498.18	41,127.30
NET INCOME OF THE MONTH	\$339.15	\$13,575.48	\$2,886.74	\$8,906.18	\$2,932.96	\$3,054.79	\$3,450.46	\$-1,024.67	\$3,679.23	\$2,109.86	\$-4,715.47
ADD: INCOME AT BEGINNING OF THE MONTH	\$339.15	\$13,915.63	\$11,028.89	\$2,122.71	\$5,055.67	\$2,000.88	\$5,451.34	\$4,426.67	\$8,105.90	\$10,215.76	\$5,500.29
AVAILABLE INCOME FOR THE NEXT MONTH	\$339.15	\$13,915.63	\$11,028.89	\$2,122.71	\$5,055.67	\$2,000.88	\$5,451.34	\$4,426.67	\$8,105.90	\$10,215.76	\$5,500.29







## GOBIERNO DE PUERTO RICO

Departamento de Agricultura

Oficina para la Reglamentación de la Industria Lechera (ORIL)


4 de octubre de 2019

### A QUIEN PUEDA INTERESAR:

Certifico que Karisolet Heifers, Inc. opera una vaquería en el municipio de Hatillo, con licencia número 3424 de esta Oficina. Esta Corporación tiene registrada una cuota de 100,840 cuartillos cada 14 días, la cual entrega a Suiza Dairy, Corp.

El registro de gravámenes sobre la cuota refleja que 75,630 cuartillos de dicha cuota están pignorados de la siguiente forma:

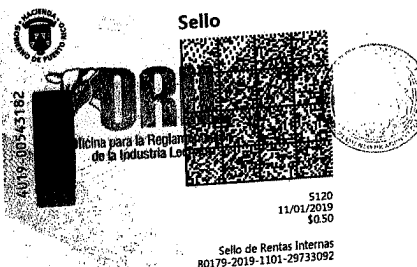
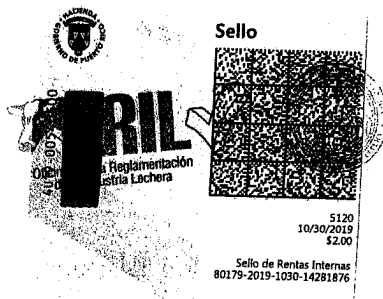
Banco de Desarrollo Económico de P.R. **Primer Rango**  
75,630 cllos.

  
Agro. Jorge A. Campos Merced  
Administrador  
[jcampos@agricultura.pr.gov](mailto:jcampos@agricultura.pr.gov)

**Nota:** Esta licencia se acogió al Capítulo 12 de Quiebra, caso Núm. 16-08404 MCF.

Karisolet Heifers, Inc. transfirió en arrendamiento 23,000 cuartillos de su cuota de los cuales 10,000 cuartillos fueron a Angel Espinosa Espinosa licencia (2823), 10,000 cuartillos a Ramón A. Ramos Vega licencia (3549) y los restantes 3,000 cuartillos a La Fundadora, Inc. licencia (3124), lo cual disminuye su cuota para liquidación a 77,840 cuartillos.\*

*Nota de Arrendamiento de Cuota.								
Nombre del Ganadero	Número de Licencia	Cuota registrada en licencia	Concepto de Arrendamiento	Cantidad de Cuartillos Arrendados	Entidad que posee gravamen sobre cuota Arrendada.	Rango	Total cuartillos con gravamen	Cuota disponible en licencia luego del Arrendamiento
Karisolet Heifers, Inc.	3424	100,840	Pasa en Arrendamiento	10,000	Libres de Gravamen	N/A	N/A	90,840
Angel M. Espinosa Espinosa	2823	N/A	Recibe en Arrendamiento	10,000	Libres de Gravamen	N/A	N/A	N/A
KARISOLET HEIFERS, INC.	3424	90,840	Pasa en Arrendamiento	10,000	Banco de Desarrollo Económico de P.R.	N/A	4,790	80,840
RAMON A. RAMOS VEGA	3549	N/A	Recibe en Arrendamiento	10,000	Banco de Desarrollo Económico de P.R.	N/A	4,790	N/A
KARISOLET HEIFERS, INC.	3424	80,840	Pasa en Arrendamiento	3,000	Banco de Desarrollo Económico de P.R.	N/A	3,000	77,840
LA FUNDADORA, INC.	3124	N/A	Recibe en Arrendamiento	3,000	Banco de Desarrollo Económico de P.R.	N/A	3,000	N/A



16-08404-MCF12 KARISOLET HEIFERS INC

Case type: bk Chapter: 12 Asset: Yes Vol: v US BANKRUPTCY JUDGE: MILDRED CABAN FLORES  
Date filed: 10/21/2016 Date of last filing: 11/26/2019

## Creditors

**Banco Desarrollo Economico de PR**  
PO Box 2134 (4374343)  
San Juan, PR 00922 (cr)

**Banco Desarrollo Economico de PR**  
PO Box 2134 (4374344)  
San Juan, PR 00922 (cr)

**Economic Development Bank of PR**  
C/O: O'Neill & Borges, LLC. (4429802)  
250 Munoz Rivera Ave., Suite 800 (cr)  
San Juan, P.R., 00918

**Internal Revenue Service**  
City View Plaza II (4387764)  
48 Carr 165 Suite 2000 (cr)  
Guaynabo, PR 00968

**Juan F Barreto Ginorio**  
HC 05 (4374345)  
Box 91550 (cr)  
Arecibo, PR 00612

**Mayrabel Ruiz Ruiz**  
HC 05 (4374346)  
Box 91550 (cr)  
Arecibo, PR 00612

**PR RECOVERY AND DEVELOPMENT JV, LLC** (4708356)  
221 PONCE DE LEON AVE., SUITE 302 (cr)  
SAN JUAN, PR 00917

**STATE INSURANCE FUND CORPORATION** (4424083)  
PO BOX 365028 (cr)  
SAN JUAN, PUERTO RICO 00936-5028

**Valle del Tanama Dairy, Inc**  
HC 05 (4374347)  
Box 91550 (cr)  
Arecibo, PR 00612

PACER Service Center			
Transaction Receipt			
11/29/2019 09:08:19			
PACER Login:	mbigasme3731:2510751:0	Client Code:	
Description:	Creditor List	Search Criteria:	16-08404-MCF12 Creditor Type: All
Billable Pages:	1	Cost:	0.10